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NATIONAL ENERGY BOARD ADDENDUM TO REASONS FOR DECISION

In the Matter of the Application Under
Part IV of the National Energy Board Act
(Tolls Application)

of



INTERPROVINCIAL PIPE LINE LIMITED

February 1984

NATIONAL ENERGY BOARD
ADDENDUM TO
REASONS FOR DECISION

In the Matter of the Application Under
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(Tolls Application)

of

INTERPROVINCIAL PIPE LINE LIMITED

February 1984

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THE ADDENDUM

In February 1984, the National Energy Board issued its Reasons for Decision on an application by Interprovincial Pipe Line Limited (IPL) for new tolls for 1984.

In its Decision, the Board directed IPL to calculate tolls for 1984 based on a revised throughput forecast and in accordance with Board Order No. TO-1-84. As explained on page vi of the Decision, certain figures for the revenue requirement were not contained in the Decision and were to be calculated by the Company.

In a letter dated 29 March 1984, IPL filed with the Board revised figures for rate base, cost of service, and revenue requirement for the Older System and the Montreal Extension.

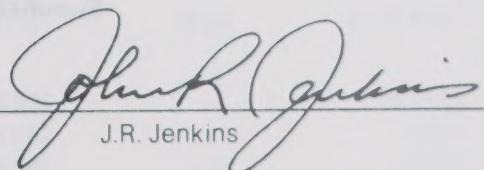
The Board has reviewed the figures and finds them to be in accordance with Order No. TO-1-84 and its Reasons for Decision. In the interest of completeness, it is now issuing this addendum to its Decision.

The addendum comprises the following tables and appendices containing all approved figures and the previously issued final toll order dated 13 April 1984.

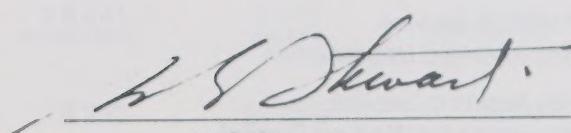
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L.M. Thur



J.R. Jenkins



W.G. Stewart

Dated 13 April 1984
Ottawa, Canada.

TABLE 3-1
Summary of Rate Base - Older System
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
Assets in Service			
Transportation Plant	\$ 463,709	\$ (5,617)	\$ 458,092 ¹
Operating Oil Supply — Propane	3,200	(3,200)	—
Other Plant	187	—	187
Leasehold Improvements	546	(32)	514
Plant Leased to Others	183	—	183
Adjustments — Non-Carrier Floors	335	—	335
— Norman Wells	(47)	—	(47)
Total Assets in Service	<u>468,113</u>	<u>(8,849)</u>	<u>459,264</u>
Accumulated Depreciation			
Transportation Plant	(214,246)	51	(214,195) ²
Other Plant	(95)	—	(95)
Amortization — Leased Facilities	(107)	—	(107)
Adjustments — Non-Carrier Floors	(51)	—	(51)
— Norman Wells	8	—	8
Total Accumulated Depreciation	<u>(214,491)</u>	<u>51</u>	<u>(214,440)</u>
Net Assets in Service	253,622	(8,798)	244,824
Allowance for Working Capital	<u>6,453</u>	<u>(388)</u>	<u>6,065³</u>
Total Rate Base — Older System	<u>\$ 260,075</u>	<u>\$ (9,186)</u>	<u>\$ 250,889</u>

1 Amount from Decision, page 43, plus adjustment of \$10,000 to reflect approved rate of allowance for funds used during construction (AFUDC).

2 Amount from Decision, page 45, plus adjustment of \$1,000 to reflect approved rate of AFUDC.

3 Table 3-3.

TABLE 3-2
Summary of Rate Base - Montreal Extension
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
Assets in Service			
Assets in Service	\$ 238,573	\$ (7)	\$ 238,566
Accumulated Depreciation	<u>(95,981)</u>	<u>4</u>	<u>(95,977)</u>
Net Assets in Service	142,592	(3)	142,589
Allowance for Working Capital	<u>369</u>	<u>(181)</u>	<u>188¹</u>
Rate Base	<u>\$ 142,961</u>	<u>\$ (184)</u>	<u>\$ 142,777</u>

1 Table 3-4.

TABLE 3-3
Determination of Working Capital
Older System
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
Cost of Service Including Income Taxes	\$ 103,942	\$ 1,178	\$ 105,120 ¹
Cash Exclusions and Non-Cash Items Included in Above:			
Amortization of Rate Hearing Costs	(300)	150	(150)
Provision for Depreciation and Amortization	(15,273)	82	(15,191)
Amortization of Non-Carrier Leasehold Improvements	(22)	—	(22)
Amortization of Loss on Mainline Replacement	(622)	—	(622)
Depreciation Recovered on Charges to Lakehead	574	(1)	573
Depreciation Recovered on Charges to IPL(NW) Ltd.	3	—	3
Provision for Deferred Income Taxes	1,826	(271)	1,555
Insurance Expense	(663)	—	(663)
Oil Loss Expense	(3,197)	217	(2,980)
Cost of Service for Working Capital Allowance	<u>\$ 86,268</u>	<u>\$ 1,355</u>	<u>\$ 87,623</u>
Cash Working Capital			
25/365 x 86,268	\$ 5,909	\$ (5,909)	\$ —
23/365 x 87,623	—	5,521	5,521
Operating Materials and Supplies Inventories	293	—	293
Prepaid Insurance	<u>251</u>	<u>—</u>	<u>251</u>
Allowance for Working Capital	<u>\$ 6,453</u>	<u>\$ (388)</u>	<u>\$ 6,065</u>

¹ Table 4-1.

TABLE 3-4
Determination of Working Capital
Montreal Extension
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
Cost of Service	\$ 17,076	\$ 54	\$ 17,130 ¹
Cash Exclusions and Non-Cash Items Included in Above:			
Provision for Depreciation and Amortization	(6,883)	—	(6,883)
Insurance Expense	(186)	—	(186)
Oil Loss Expense	<u>(566)</u>	<u>59</u>	<u>(507)</u>
Cost of Service for Working Capital Allowance	<u>\$ 9,441</u>	<u>\$ 113</u>	<u>\$ 9,554</u>
Cash Working Capital			
9/365 x 9,441	\$ 233	\$ (233)	\$ —
2/365 x 9,554	—	52	52
Operating Materials and Supplies Inventories	66	—	66
Prepaid Insurance	<u>70</u>	<u>—</u>	<u>70</u>
Allowance for Working Capital	<u>\$ 369</u>	<u>\$ (181)</u>	<u>\$ 188</u>

¹ Table 4-2.

TABLE 4-1

**Cost of Service Excluding Return
Older System**
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
OPERATING EXPENSES:			
Salaries and Wages	\$ 20,217	\$ (54)	\$ 20,163
Operating Fuel and Power Costs	26,509	5,365	31,874
Materials and Supplies	2,417	(100)	2,317
Outside Services	4,492	(400)	4,092
Other Expenses	3,867	—	3,867
Amortization of Rate Hearing Costs	300	(150)	150
Oil Loss	3,197	(217)	2,980
Law Expenses	188	—	188
Rent	3,032	—	3,032
Employee Benefits	4,345	(90)	4,255
Insurance	663	—	663
Taxes, Other than Income Taxes	<u>9,726</u>	<u>(72)</u>	<u>9,654</u>
Total Operating Expenses	78,953	4,282	83,235
Provision for Depreciation and Amortization	15,273	(82)	15,191
Other Amortizations	622	—	622
Other Income Deductions	213	—	213
Deductions from Cost of Service	<u>(10,399)</u>	<u>45¹</u>	<u>(10,354)</u>
Total Cost of Service Before Income Taxes	84,662	4,245	88,907
Provision for Income Taxes	<u>19,280</u>	<u>(3,067)</u>	<u>16,213²</u>
Total Cost of Service	<u>\$ 103,942</u>	<u>\$ 1,178</u>	<u>\$ 105,120</u>

1 Adjustment per Board Reasons for Decision, Table 4-1
\$30,000 plus \$15,000 adjustment for additional costs allocated to Lakehead.

2 Table 4-3.

TABLE 4-2
Cost of Service Excluding Return
Montreal Extension
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
OPERATING EXPENSES:			
Salaries and Wages	\$ 1,958	\$ —	\$ 1,958
Operating Fuel and Power Costs	1,753	191	1,944
Materials and Supplies	256	—	256
Outside Services	626	—	626
Other Expenses	447	—	447
Oil Loss	566	(59)	507
Law Expenses	25	—	25
Rent	324	—	324
Employee Benefits	420	(8)	412
Insurance	186	—	186
Taxes, Other than Income Taxes	3,632	(70)	3,562
Total Operating Expenses	10,193	54	10,247
Provision for Depreciation and Amortization	6,883	—	6,883
Total Cost of Service Before Income Taxes	17,076	54	17,130
Provision for Income Taxes	—	—	—
Total Cost of Service	<u>\$ 17,076</u>	<u>\$ 54</u>	<u>\$ 17,130</u>

TABLE 4-3

Provision for Income Taxes and Deferred Income Taxes		
	Company's Application	NEB Approved Figures
Provision for Income Taxes – Older System		
Rate base	<u>\$ 260,075</u>	<u>\$ 250,889</u>
Return	<u>\$ 29,342</u>	<u>\$ 26,820</u>
Less: Return related to interest	<u>(10,324)</u>	<u>(10,562)</u>
Return related to equity	19,018	16,258
<u>Adjustments for Permanent Differences</u>		
Depreciation on land rights	535	268
Depreciation on AFUDC	161	106
Amortization of debt discount and expense on Long-term debt – Series A to F	341	171
Adjustment for deferred tax	4	4
Other non-deductibles	24	24
Amortization of cumulative eligible capital	(272)	—
Taxable capital gain on debt reacquired	92	92
Accounting capital gain	(296)	(296)
Income tax base	<u>\$ 19,607</u>	<u>\$ 16,627</u>
Provision for income taxes = income tax base x <u>4937</u> 1- 4937	<u>\$ 19,119</u>	<u>\$ 16,213</u>

Current Provision for Deferred Income Taxes

Estimated depreciation	\$ 27,823	\$ 27,741
Depreciation on land rights	(535)	(268)
Depreciation on AFUDC	(161)	(106)
Amortization of discount and expense on long term debt - Series A to F	—	171
Amortization of discount and expense on long term debt - Series G	112	112
Amortization of hearing costs	300	150
Other amortizations	622	622
Capitalized general and administrative overhead	—	(392)
Capital cost allowance	(24,459)	(24,296)
Amortization of cumulative eligible capital	—	(272)
Interest AFUDC	—	(308)
Net timing differences	<u>3,702</u>	<u>3,154</u>
Current provision for deferred income taxes at 4931	<u>\$ 1,826</u>	<u>\$ 1,555</u>
<u>Income Taxes Payable</u>		
Provision for income taxes	\$ 19,119	\$ 16,213
Add: Current provision for deferred income taxes	1,826	1,555
Income taxes payable	<u>\$ 20,945</u>	<u>\$ 17,768</u>

TABLE 5-2
Derivation of Rate of Return on Rate Base
Older System

	Amount (\$000)	Ratio (%)	Cost Rate (%)	Cost Component (%)
Long-Term Debt	134,100	52.04	9.97	5.19
Prefunded Debt	(22,904)	(8.88)	11.00	(0.98)
Deferred Taxes	36,961	14.34	—	—
Common Equity	<u>109,507</u>	<u>42.50</u>	15.25	<u>6.48</u>
Total Capitalization ¹	<u>257,664</u>	<u>100.00</u>		
Rate of Return on Rate Base				<u>10.69</u>

1 Total Capitalization = Older System average rate base (Table 3-1) plus average construction work in progress (Appendix VI).

TABLE 5-4
Derivation of Rate of Return on Rate Base
Montreal Extension

	Amount (\$000)	Ratio (%)	Cost Rate (%)	Cost Component (%)
Long-Term Debt	149,272	94.22	10.96	10.33
Deferred Taxes	<u>9,164</u>	<u>5.78</u>	—	—
Total Capitalization	<u>158,436</u>	<u>100.00</u>		
Rate of Return on Rate Base				<u>10.33</u>

TABLE 6-1
Revenue Requirement
(Thousands of dollars)

	Per Application	NEB Approved Adjustments	NEB Approved Figures
<u>Older System</u>			
Cost of Service	\$103,942	\$1,178	\$105,120
Return	<u>29,342</u>	<u>(2,522)</u>	<u>26,820</u>
Gross revenue requirement	133,284	(1,344)	131,940
Less: Jet Aircraft adjustment ¹	—	413	413
Other Revenue	<u>169</u>	<u>—</u>	<u>169</u>
Net Revenue Requirement	<u>133,115</u>	<u>(1,757)</u>	<u>131,358</u>
<u>Montreal Extension</u>			
Cost of Service	17,076	54	17,130
Return	<u>14,760</u>	<u>(11)</u>	<u>14,749</u>
Net Revenue Requirement	<u>31,836</u>	<u>43</u>	<u>31,879</u>
Total Net Revenue Requirement	<u>\$ 164,951</u>	<u>\$ (1,714)</u>	<u>\$ 163,237</u>

¹ The jet aircraft adjustment represents that portion of the return on the jet that is allocated to Lakehead Pipe Line Company Inc plus an adjustment for the related income tax which is included in the cost of service

TABLE 8-3

Calculation of Power Cost Saving - NGL

1 Test Year Power Cost for the Western Provinces Based on Approved Forecast - Table 7-2	\$ 29,880,000
2 Western Provinces Light Crude Equivalent (LCE) in m ³ /km/d	186 795 930
3 Western Provinces NGL LCE in m ³ /km/d	11 055 000
4 Ratio of NGL LCE/Total LCE Line No. 3/Line No. 2	0.059 182
5 NGL Power Cost Allocation Line No. 4 x Line No. 1	\$ 1,768,363
6 NGL Energy Cost – 60% x Line No. 5	\$ 1,061,018
7 NGL Power Cost Saving - 50% x Line No. 6	\$ 530,509

TABLE 8-4

**Surcharge Revenue Requirement – Revised
Methodology for NGL**

Component	NGL
Capital-Related Costs Including Return	\$1,649,036
Additional Operating Costs	<u>106,409</u>
Total Special Facility Costs	1,755,445
Plus: Condensate Shrinkage Loss	121,326
Less: Tankage Credit Power Saving Credit ¹	<u>500,007</u> <u>530,509</u>
Surcharge Revenue Requirement	<u>\$ 846,255</u>

¹ Methodology and calculation on Table 8-3

Appendix V

ADJUSTMENTS RELATED TO THE JET AIRCRAFT

Format For Adjusting the Older System Revenue Requirement
to Allocate a Portion of the Jet Aircraft
Return on Rate Base to Lakehead Pipe Line Company Inc.

(A) Average Net Assets in Service - Jet Aircraft (C-FIPG)

Average Assets in Service	\$6,807,865
Less: Average Accumulated Depreciation	<u>1,928,064</u>
Average Net Assets in Service for the Test Year	<u>\$4,879,801</u>

(B) Adjustment to Older System Revenue Requirement

(a) Return Allocated to Lakehead

(i) Return on Jet	=	Average Net Assets in Service	x	Rate of Return on Rate Base	
	=	\$4,879,801	x	0.1069	
	=	<u>\$ 521,651</u>			
(ii) Return on Jet Allocated to Lakehead	=	Return on Jet	x	$\frac{\text{Lakehead's m}^3\text{.km/day}}{\text{IPL's m}^3\text{.km/day} + \text{Lakehead's m}^3\text{.km/day}}$	
	=	\$ 521,651	x	$\frac{81\ 937\ 861}{164\ 859\ 473}$	= \$ 259,269

(b) Adjustment for Related Income Taxes

Adjustment	=	Return on Jet Allocated to Lakehead	x	$\frac{6.48\%}{\text{Rate of Return on Rate Base}}$	x	$\frac{\text{Income Tax Rate}}{1 - \text{Income Tax Rate}}$	
	=	\$ 259,269	x	$\frac{0.0648}{0.1069}$	x	$\frac{0.4937}{0.5063}$	= \$ 153,251

(c) Total Adjustment to the Older System Test Year Revenue Requirement

\$ 412,520

1 (15.25 percent Rate of Return on Common Equity) x (42.5 percent Common Equity Ratio) = 6.48 percent.

Appendix VI

**DETERMINATION
OF AVERAGE RATE BASE**
(Thousands of dollars)

AVERAGE NET ASSETS IN SERVICE	\$244,824
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ALLOWANCE FOR WORKING CAPITAL

<u>Operating Expenses</u>	
Salaries and Wages	\$ 20,163
Operating Fuel and Power	31,874
Materials & Supplies	2,317
Outside Services	4,092
Other Expenses	3,867
Amortization of Rate Hearing Costs	150
Oil Loss	2,980
Law Expenses	188
Rent	3,032
Employee Benefits	4,255
Insurance	663
Taxes, Other than Income Taxes	<u>9,654</u>

Total Operating Expenses	\$ 83,235
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Provision for Depreciation and Amortization	15,191
Other Amortizations	622
Other Income Deductions	213
Deductions from Cost of Service	<u>(10,354)</u>
Total Cost of Service Before Income Taxes	\$ 88,907
Provision for Income Taxes	<u>16,213</u>
Total Cost of Service	\$ 105,120

Cash Exclusions and Non-Cash Items

Included in Above	
Amortization of Rate Hearing Costs	(150)
Provision for Depreciation and Amortization	(15,191)
Amortization of Non-Carrier Leasehold Improvements	(22)
Amortization of Loss on Mainline Replacement	(622)
Depreciation Recovered on Charges to Lakehead	573
Depreciation Recovered on Charges to IPL (NW) Ltd	3
Current Provision for Deferred Income Taxes	1,555
Insurance Expense	(663)
Oil Loss Expense	<u>(2,980)</u>

Cost of Service for Working Capital Allowance	<u>\$ 87,623</u>
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Cash Working Capital (23/365 X cost of service for working capital allowance)	\$ 5,521
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Operating Materials and Supplies Inventories	293
Prepaid Insurance	<u>251</u>

Allowance for Working Capital	6,065	6,065
AVERAGE RATE BASE		<u>\$250,889</u>

**DETERMINATION OF
AVERAGE CONSTRUCTION
WORK IN PROGRESS**

Line No.	Date	Cost of Additions		AFUDC on Additions	Transferred to Completed Plant	Monthly Balance
		(a)	(b)			
1	January 1	\$ 0	\$ 0	\$ 0	\$ 1,587	
2	January 31	995	15	171	2,426	
3	February 29	825	22	0	3,273	
4	March 31	2,069	30	1,350	4,022	
5	April 30	2,204	36	462	5,800	
6	May 31	1,775	51	193	7,433	
7	June 30	1,904	72	1,086	8,323	
8	July 31	1,758	74	326	9,829	
9	August 31	1,552	98	3,283	8,196	
10	September 30	1,245	78	749	8,770	
11	October 31	1,165	82	1,016	9,001	
12	November 30	1,068	84	896	9,257	
13	December 31	991	140	224	10,164	
14	TOTAL	<u>\$17,551</u>	<u>\$782</u>	<u>\$9,756</u>	<u>\$ 88,081</u>	
15	AVERAGE ¹					<u>\$ 6,775</u>

1 13-month average

ORDER No. TO-3-84

IN THE MATTER OF the National Energy Board Act and the Regulations made thereunder, and

IN THE MATTER OF an application by Interprovincial Pipe Line Limited (hereinafter called "Interprovincial") for certain orders respecting tolls and tariffs pursuant to Part IV of the National Energy Board Act, filed with the Board under File No. 1762-JI-6.

BEFORE:

L.M. Thur))
Presiding Member))
	On Friday, the 13th day
J.R. Jenkins)) of April, 1984.
Member))
W.G. Stewart))
Member))

UPON an application by Interprovincial Pipe Line Limited dated 9 September 1983, as amended, for an Order under Section 50 of the National Energy Board Act fixing the just and reasonable tolls and tariffs Interprovincial may charge for or in respect of the transportation of crude oil and other liquid hydrocarbons and for such order or orders as will enable the Company to file a tariff containing tolls which are just and reasonable;

AND UPON the Board having heard evidence and submissions relating to the said application at a public hearing which commenced on the 15th day of November, 1983;

AND UPON the Board having issued its Reasons for Decision in this matter dated February 1984 and having issued Order No. TO-1-84 with respect thereto;

AND UPON the Board having directed Interprovincial to calculate certain components of its cost of service as identified in the Board's Reasons for Decision;

AND UPON Interprovincial having calculated the components of cost of service as directed and in a manner satisfactory to the Board;

AND UPON the Board having directed Interprovincial to design tolls and tariffs ("ordered tolls and tariffs") based on the principles and methodology set

out in the Reasons for Decision dated February 1984;

AND UPON Interprovincial having designed the ordered tolls and tariffs in a manner satisfactory to the Board and having filed them with the Board under tariffs NEB No. 124, 125, 126 and 127;

AND UPON the Board having issued Order No. TOI-2-83 dated 14 December 1983 by the terms of which IPL's tolls and tariffs were made interim effective 1 January 1984;

AND UPON the Board being satisfied that the ordered tolls and tariffs are just and reasonable.

IT IS ORDERED THAT:

1. The tariffs NEB No.: 108, 121, 122 and 123, as amended, ("the present tolls and tariffs") shall be revoked effective 30 April 1984 and shall be replaced by the ordered tolls and tariffs filed with the Board under tariffs NEB No. 124, 125, 126 and 127 effective 1 May 1984.
2. Notwithstanding the filing of the ordered tolls and tariffs they are suspended and of no effect until 30 April 1984.
3. Interprovincial is ordered, pursuant to section 52.2 of the National Energy Board Act, to calculate, for the period 1 January 1984 to 30 April 1984, the difference between the present tolls and tariffs and the ordered tolls and tariffs and to refund or recover, as the case may be, within 60 days after 1 May 1984 such difference together with interest thereon in accordance with the methodology set out in Appendix A attached hereto.
4. Any tolls and tariffs inconsistent with any Order of the Board, including this Order, are hereby disallowed.

DATED at the City of Ottawa, in the Province of Ontario, this 13th day of April 1984.

NATIONAL ENERGY BOARD

"G. Yorke Slader"

G. Yorke Slader
Secretary

APPENDIX A

PROCEDURES FOR REVISED BILLINGS MADE UNDER INTERIM TOLLS

To determine the difference in transportation revenue as a result of the new tariffs, each invoice throughout the period that interim tariffs were in effect shall be recalculated by applying the new tariffs against the period deliveries and then subtracting the amount previously invoiced.

To determine the interest charge or credit, the Board directs IPL to use the following methodology. In these illustrations the new tariffs are in effect 1 May 1984 and the revised invoices are issued 7 May.

1 Assumes Interim Tariffs less than New Tariffs

For Shipper XYZ

Invoicing Date	Number of Days Outstanding to May 7	Billing Difference	Dollar days Outstanding
January 18	110*	\$ 25,655.60	2 822 116
February 7	90	20,770.85	1 869 377
February 20	77	5,648.42	434 928
March 6	62	12,620.68	782 482
March 20	48	19,812.92	951 020
April 5	32	20,400.85	652 827
April 19	18	11,019.46	198 350
May 3	4	3,216.23	12 865
Total	<u>441</u>	<u>\$ 119,145.01</u>	<u>7 723 965</u>

Average dollar amount outstanding
 $7\ 723\ 965 \div 441 \text{ days} = \$ 17,515$

Interest charge $\$ 17,515 \times 11\%$
 $\times 441/365 \text{ days} = \$ 2,327.82$

* Period from 18 January to 7 May.

The above interest calculation is based on assumed invoice dates through 20 March and assumed dates thereafter. Use of these invoice dates assumes that the lag between the time Interprovincial invoices shippers and when payment is received will be the same for the revised billings as it was for the original billings.

2 Assumes Interim Tariffs Greater than New Tariffs

In the case of a credit billing difference the Board directs IPL to issue credit invoices with attached refund cheques and separate interest credit cheques.

Because the refund will be included with credit invoices, the number of days that the overpayment is outstanding will be 7 days less than the case where underpayments have been made, therefore, the Board will allow IPL to deduct 7 days from each of the billing periods. The 7 days is determined as follows:

	Days
Provision of service to receipt of payment	21.6
Less: Approximate mid-point of service to end	
billing period (Approximate 15-day billing period $\div 2$)	7.5
: Approximate lag from end of billing period to invoice date (e.g. 15 to 20 March)	<u>5.0</u>
Average lag between invoice date and funds received by Interprovincial	9.1
Less: In transit time for cheque	2.1
Adjustment days required	<u>7.0</u>

For Shipper XYZ

Invoicing Date	Number of Days Outstanding to May 7	Billing Difference	Dollar days Outstanding
January 18	103*	\$ 25,655.60	2 642 527
February 7	83	20,770.85	1 723 981
February 20	70	5,648.42	395 389
March 6	55	12,620.68	694 137
March 20	41	19,812.92	812 330
April 5	25	20,400.85	510 021
April 19	11	11,019.46	121 214
May 3	(3)	3,216.23	(9 649)
Total	<u>385</u>	<u>\$ 119,145.01</u>	<u>6 889 950</u>

Average dollar amount outstanding
 $6\ 889\ 950 \div 385 \text{ days} = \$ 17,896$

Interest charge $\$ 17,896 \times 11\%$
 $\times 385/365 \text{ days} = \$ 2,076.43$

*Period from 18 January to 7 May, less 7 days.

